



June 25, 2004

Angela C. Snyder, Office of the Deputy Administrator
USDA/AMS/Poultry Programs
Stop 0256, Room 3932-S
14th & Independence Avenue, SW
Washington, DC 20250-0256

received
6-25-04

Re: Proposed Rule to Exempt Organic Producers From Assessment by
Research and Promotion Programs [Docket No. PY-02-006]

Dear Ms. Snyder,

As the voice of over 24,000 dairy farm families in 48 states, Dairy Farmers of America, Inc. (DFA), **endorses vigorous enforcement of the approach that the Agricultural Marketing Service (AMS) has taken to the Congressionally-mandated exemption of only purely "organic"-certified producers and processors from the research and promotion program.**

DFA is opposed in principle to the exclusion of "organic" dairy producers or processors from assessments for generic research and promotion programs. In our opinion, organic milk will continue to enjoy the benefits from generic milk promotions advertisements. Organic milk is indistinguishable from all other U.S. milk. (According to the National Organic Program [NOP], "organic" certification is "not about the product, but about a way of doing things.") Their "organic" designation is only one characteristic among many others that organic milk shares with milk generally; so do they share equally in the benefits of the expansion of existing dairy markets. However, we believe that the Farm Security and Rural Investment Act of 2002 requires the Department to exempt purely organic producers and processors from paying assessments.

Therefore, we urge the Department to define this exemption as narrowly as was intended by Congress. That is, we support the proposed requirement that each exempted producer or processor must demonstrate through NOP certification that its **entire** business is 100% organic. We believe that the proposed rule demands USDA "organic" certification for all products of the firm and all products sold by the firm.

For organic milk producers, this should include any milk, animals, crops, hay, wood, manure, or other products produced or sold by the operation, including any products sold at an associated store or farm stand. Similarly, to be exempted from the processor assessment, a firm should not produce or sell any

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products not certified "organic", including nondairy products, products produced on contract, or products sold in an associated retail store or commissary.

We also ask that the final rule contain strong language that would revoke the exemption when its requirements are no longer satisfied, and that it specify an obligation to make available all records necessary to verify compliance.

Finally, in the rule's administration, we urge Dairy Research and Promotion Program staff to engage in active cooperation with the National Organic Program and to undertake regular audits of exempted milk producers or processors to ensure their full compliance with all requirements of this rule.

In summary, we support the proposed rule as setting the appropriately strict limits on the statutory exemption allowed to purely organic producers and processors; we urge its active enforcement by the Dairy Research and Promotion Program office; and we ask that clear provision be made for audit and speedy revocation when requirements are not met.

Sincerely,



Ron Grusenmeyer
Director Member Relations

cc: AJ Yates, Administrator

John Mengel, Acting Deputy Administrator, Dairy Programs

David Jamison, Chief Promotion and Research Branch, Dairy Programs